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**NORTHWESTERN STATE UNIVERSITY FOUNDATION
NATCHITOCHES, LOUISIANA
FINANCIAL STATEMENTS
JUNE 30, 2012**

Under provisions of state law this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date APR 17 2013

**HINES, SHEFFIELD & SQUYRES, LLC
CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 2188 • NATCHITOCHES, LA 71457**

Frank S. Hines, CPA
Lewis C. Hines, CPA

Jay H. Sheffield, CPA
James S. Sheffield, CPA

E. Merlin Squyres, CPA

Telephone: 318 352 6458

Fax: 318 352 0404

office@hjhcpa.biz

**NORTHWESTERN STATE UNIVERSITY FOUNDATION
NATCHITOCHES, LOUISIANA
FINANCIAL STATEMENTS
JUNE 30, 2012**

NORTHWESTERN STATE UNIVERSITY FOUNDATION
NATCHITOCHES, LOUISIANA
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HINES, SHEFFIELD & SQUYRES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 2188 • 133 EAST FIFTH STREET
NATCHITOCHES, LA 71457

FRANK S. HINES, CPA
LEWIS C. HINES, CPA
E. MERLIN SQUYRES, CPA
JAMES S. SHEFFIELD, CPA
JAY H. SHEFFIELD, CPA

Telephone (318) 352-6458
FAX (318) 352-0404
office@hjhcpa.biz

INDEPENDENT AUDITORS' REPORT

Board of Directors
Northwestern State University Foundation
Natchitoches, Louisiana

We have audited the accompanying statement of financial position of the Northwestern State University Foundation (a non-profit organization), as of June 30, 2012, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northwestern State University Foundation, as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Hines, Sheffield & Squyres
Natchitoches, Louisiana
October 1, 2012

NORTHWESTERN STATE UNIVERSITY FOUNDATION
NATCHITOCHES, LOUISIANA
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2012

ASSETS	
Current Assets	
Cash and cash equivalents	\$ 2,832,058
Promises to give	0
Investments	9,455,363
Other current assets	<u>3,726</u>
Total Current Assets	12,291,147
 Fixed assets, net	 0
Other assets	<u>64,504</u>
 Total Assets	 <u><u>\$ 12,355,651</u></u>
 LIABILITIES AND NET ASSETS	
Current Liabilities	
Current portion of long-term debt	\$ 179,437
Accounts payable and accruals	104,904
Funds held in custody	<u>0</u>
Total Current Liabilities	284,341
 Long-term debt, net of current portion	 <u>1,015,863</u>
 Total Liabilities	 1,300,204
 Net Assets	
Unrestricted	251,428
Temporarily restricted	2,755,031
Permanently restricted	<u>8,048,988</u>
Total Net Assets	<u>11,055,447</u>
 Total Liabilities and Net Assets	 <u><u>\$ 12,355,651</u></u>

NORTHWESTERN STATE UNIVERSITY FOUNDATION
NATCHITOCHES, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
PUBLIC SUPPORT, REVENUES AND RECLASSIFICATIONS				
Contributions	\$ 152,150	\$ 2,275,594	\$ 428,364	\$ 2,856,108
Fund raising	64,878	515,628	0	580,506
Investment income	8,481	205,985	0	214,466
Sales and fees	13,389	486,024	0	499,413
Unrealized gains/(losses) on investments	(1,200)	(153,583)	0	(154,783)
Other	17,334	255,946	305	273,585
Net Assets Released from Restrictions				
Satisfactions of Program Restrictions	<u>2,771,083</u>	<u>(2,656,772)</u>	<u>(114,311)</u>	<u>0</u>
 Total Public Support, Revenues and Reclassifications	 3,026,115	 928,822	 314,358	 4,269,295
EXPENSES				
Program services				
Equipment purchases for NSU	40,410	0	0	40,410
Marketing and promotions	161,108	0	0	161,108
Materials and supplies	529,358	0	0	529,358
Professional services	61,973	0	0	61,973
Scholarships	553,802	0	0	553,802
Transfers to NSU	326,381	0	0	326,381
Travel	235,282	0	0	235,282
Other program services expenses	465,754	0	0	465,754
Supporting services				
Fund raising	379,831	0	0	379,831
Management and general	<u>284,461</u>	<u>0</u>	<u>0</u>	<u>284,461</u>
 Total Expenses	 <u>3,038,360</u>	 <u>0</u>	 <u>0</u>	 <u>3,038,360</u>
 Change in Net Assets	 (12,245)	 928,822	 314,358	 1,230,935
Net Assets, Beginning of year	<u>263,673</u>	<u>1,826,209</u>	<u>7,734,630</u>	<u>9,824,512</u>
Net Assets, End of year	<u>\$ 251,428</u>	<u>\$ 2,755,031</u>	<u>\$ 8,048,988</u>	<u>\$ 11,055,447</u>

The notes to the financial statements are an integral part of this statement

NORTHWESTERN STATE UNIVERSITY FOUNDATION
NATCHITOCHES, LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012

Cash Flows From Operating Activities	
Change in net assets	\$ 1,230,935
Adjustments to reconcile change in net assets to net cash used by operating activities	
Unrealized gain on investments	154,783
(Increase)/decrease in operating assets	
Other current assets	(1,896)
Other assets	(2,164)
Increase/(decrease) in operating liabilities	
Accounts payable and accruals	(451)
Net Cash Provided By/(Used In) Operating Activities	1,381,207
Cash Flows From Investing Activities	
Purchase of investments	(182,356)
Net Cash Provided By/(Used In) Investing Activities	(182,356)
Cash Flows From Financing Activities	
Proceeds from notes payable	0
Principal payments on notes payable	(180,513)
Net Cash Provided By/(Used In) Financing Activities	(180,513)
Net Increase in Cash and Cash Equivalents	1,018,338
Cash and Cash Equivalents, Beginning of year	1,813,720
Cash and Cash Equivalents, End of year	<u>\$ 2,832,058</u>

SUPPLEMENTAL DISCLOSURE

Cash payments for interest during the years ended June 30, 2012 was \$62,044.

NORTHWESTERN STATE UNIVERSITY FOUNDATION
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Northwestern State University Foundation (the Foundation) is a non-profit corporation formed in 1960. Its purpose is to promote the educational and cultural welfare of Northwestern State University (the University) and to aid students in their studies at the University and to solicit and accept funds to achieve the foregoing objectives. The Foundation serves as an umbrella organization for the Northwestern State University Alumni Association and the Northwestern State University Athletic Association, each of which has its own board of directors. Funds for each of these organizations are combined with funds of the Foundation for presentation in these financial statements.

B. Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

C. Promises to Give

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions are met in the fiscal year in which the contributions are made or as an increases in temporary or permanently restricted net assets, depending on the nature of the restrictions. Temporarily and permanently restricted net assets are reclassified to unrestricted net assets in the fiscal year all restrictions are satisfied

D. Allowance for Doubtful Accounts

Uncollectible amounts are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular promise to give. At June 30, 2012, \$0 were considered to be uncollectible.

NORTHWESTERN STATE UNIVERSITY FOUNDATION
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Investments

The Foundation has the same investment policy for all funds (i.e., Endowed and Non Endowed). The investment objective of the policy is a long-term real total return of at least five percent net of fees and expenses. The investments are invested in a wide range of asset classes including equities, fixed income, alternative investments (i.e., private equities, commodities, natural resources and real estate) and cash. All investments (Endowed and Non Endowed) are pooled to maximize investment efficiency with separate general ledger accounts being maintained for each Endowment and Non Endowment. The asset allocations are reviewed annually by the Investment Committee and discusses with the Investment Managers.

Investments are reported at fair value which is determined using quoted market price of identical or similar securities. Donated investments are recorded at fair market value at date of receipt, which is then treated as cost.

Realized gains and losses on dispositions are based on the net proceeds and the adjusted cost basis of the securities sold, using the specific identification method. Realized and unrealized gains and losses are recognized in the Foundation's current operations.

F. Fixed Assets

Fixed assets are carried at historical costs. Depreciation of all fixed assets used by the Northwestern State University Foundation are charged against operations. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and building improvements and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

Donations of fixed assets are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire fixed assets are reported as restricted support. When donor stipulations are absent regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Foundation reclassifies temporarily restricted net assets to unrestricted net assets at that time.

NORTHWESTERN STATE UNIVERSITY FOUNDATION
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Collections and Works of Art

Donated collections and works of art are recorded as support at their estimated fair value at the date of receipt. The Foundation has donated collections and works of art consisting of a collection of Southern History Journals and Salvador Dali paintings. These items are being carried on the Foundations books at \$20,000. Donated properties are not used for Foundation operations.

H. Funds Held in Custody

Northwestern State University participates in a program with the State of Louisiana (the Eminent Scholars/Endowed Professorships Programs sponsored by the Louisiana Board of Regents) whereby the State contributes matching funds which, together with donations received by the Foundation, establishes endowment funds, which are accumulated and maintained by the University. The State match constitutes 40% of the total endowment. The liability "Funds Held in Custody" represents the donations received by the Foundation for these endowments. These funds are transferred to the University upon receipt of the State match.

I. Net Assets

The Foundation classifies net assets into three categories: unrestricted, temporarily restricted and permanently restricted. All net assets are considered to be available for unrestricted use unless specifically restricted by the donor or by law. Temporarily restricted net assets include contributions with temporary, donor-imposed time or purpose restrictions. Temporarily restricted net assets become unrestricted and are reported in the statement of activities as net assets released from restriction when the time restrictions expire or the contributions are used for the restricted purpose. Permanently restricted net assets include contributions with donor-imposed restrictions requiring resources to be maintained in perpetuity, but permitting use of all or part of the investment income earned on the contributions.

J. Concentration of Credit Risk

At various times during the year, cash on deposit with banking institutions may exceed the amounts insured by the Federal Deposit Insurance Corporation. Management monitors the financial condition of these institutions on a regular basis, along with their cash balances to minimize this potential risk.

NORTHWESTERN STATE UNIVERSITY FOUNDATION
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Endowment Funds

Expenditures from Endowed funds are based on donor or other legally imposed restrictions being satisfied. These restrictions are reviewed by management and legal counsel, as necessary.

L. Income Taxes

The Northwestern State University Foundation qualifies as a tax-exempt organization (an "other than private foundation") under Section 501 (c)(3) of the Internal Revenue Code

M. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 CASH AND CASH EQUIVALENTS

At June 30, 2012, the Foundation had cash and cash equivalents totaling \$2,832,058, as follows:

Non-interest bearing demand deposit accounts	\$ 0
Interest bearing demand deposit accounts	2,801,723
Money market accounts	<u>30,335</u>
Total	<u><u>\$ 2,832,058</u></u>

At June 30, 2012, the Foundation had \$3,587,661 in bank deposits. These deposits are secured from risk by \$1,132,090 of federal deposit insurance and the remaining \$2,455,571 was unsecured.

NOTE 3 PROMISES TO GIVE

At June 30, 2012, the Foundation had unconditional promises to give consisting of the following:

Unrestricted promises to give	\$ 0
Temporarily restricted	0
Restricted promises to give	<u>0</u>
Total	<u><u>\$ 0</u></u>

NORTHWESTERN STATE UNIVERSITY FOUNDATION
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

NOTE 3 PROMISES TO GIVE (CONTINUED)

The amounts are expected to be collected as follows:

Less than one year	\$ 0
One to five years	<u> 0</u>
Total	<u><u>\$ 0</u></u>

Unconditional promises to give due in more than one year are reflected at the present value of estimated future cash flows using a discount rate of 6%.

Certain donors have stipulated in their will to make donations to the Northwestern State University Foundation upon death. The total amount of conditional promises to give was unknown at June 30, 2012. As the donors have placed a condition on the donation, these amounts have not been recorded in the financial statements.

NOTE 4 INVESTMENTS

At June 30, 2012, the Foundation had investments summarized as follows:

	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Market Value</u>
Certificates of Deposit, maturities greater than 90 days	\$ 382,090	\$ 0	\$ 0	\$ 382,090
Corporate bonds	2,251,585	152,376	0	2,403,961
Equity securities	5,234,865	139,022	62,824	5,311,063
Mutual funds	1,263,523	48,437	0	1,311,960
Other	<u>54,317</u>	<u>349</u>	<u>8,377</u>	<u>46,289</u>
Total	<u><u>\$ 9,186,380</u></u>	<u><u>\$ 340,184</u></u>	<u><u>\$ 71,201</u></u>	<u><u>\$ 9,455,363</u></u>

NORTHWESTERN STATE UNIVERSITY FOUNDATION
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

NOTE 4 INVESTMENTS (CONTINUED)

Investment earnings included in the statement of activities was comprised of the following for the year ended June 30, 2012:

Investment income	\$ 214,466
Unrealized gains/(losses) on investments	<u>(154,783)</u>
Total	<u><u>\$ 59,683</u></u>

Total investment fees and expenses incurred on investments for the year ended June 30, 2012 was \$37,987 and was included in other program services expenses.

NOTE 5 FAIR VALUE OF FINANCIAL INSTRUMENTS

The Foundation adopted FASB Accounting Standards Codification Topic 820, "Fair Value Measurements" (Topic 820). Topic 820 requires disclosures that stratify balance sheet amounts measured at fair value based on the inputs used to derive fair value measurements. These strata included:

Level 1 valuations, where the valuation is based on quoted market prices for identical assets or liabilities traded in active markets (which include exchanges and over-the-counter markets with sufficient volume).

Level 2 valuations, where the valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market, and

Level 3 valuations, where the valuation is generated from model-based techniques that use significant assumptions not observable in the market, but observable based on Foundation-specific data. These unobservable assumptions reflect the Foundation's own estimates for assumptions that market participants would use in pricing the asset or liability. Valuation techniques typically include option pricing models, discounted cash flow modes and similar techniques, but may also include the use of market prices of asset or liabilities that are not directly comparable to the subject asset or liability.

NORTHWESTERN STATE UNIVERSITY FOUNDATION
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS(CONTINUED)
JUNE 30, 2012

NOTE 5 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair values of assets and liabilities measured on a recurring basis at June 30, 2012 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Certificates of Deposit, maturities greater than 90 days	\$ 382,090	\$ 0	\$ 0	\$ 382,090
Corporate bonds	2,403,961	0	0	2,403,961
Equity securities	5,311,063	0	0	5,311,063
Mutual funds	1,311,960	0	0	1,311,960
Other	46,289	0	0	46,289
Total	<u>\$ 9,455,363</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,455,363</u>

Assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

Balance at June 30, 2011	\$ 0
Realized and unrealized gain/(losses)	0
Purchases, issuances and settlements	0
Transfers in and/or out of Level 3, net	0
Balance at June 30, 2012	<u>\$ 0</u>

NOTE 6 FIXED ASSETS

At June 30, 2012, the Foundation had fixed assets summarized as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>	<u>Depreciation This Year</u>
Automobiles	\$ 0	\$ 0	\$ 0	\$ 0
Total	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

NOTE 7 OTHER ASSETS

At June 30, 2012, the Foundation had other assets summarized as follows:

Cash surrender value of life insurance (3 policies)	\$ 44,504
Collections and works of art	20,000
Total	<u>\$ 64,504</u>

NORTHWESTERN STATE UNIVERSITY FOUNDATION
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

NOTE 8 ACCOUNTS PAYABLE AND ACCRUALS

At June 30, 2012, the Foundation had accounts payable and accruals of the following:

Vendor	\$ 60,619
Interest expense	43,495
Salaries and related benefits	790
Total	<u>\$ 104,904</u>

NOTE 9 FUNDS HELD IN CUSTODY

At June 30, 2012, the Foundation had funds held in custody summarized as follows:

Endowed professorships	\$ 0
Total	<u>\$ 0</u>

NOTE 10 LONG-TERM DEBT

The following is a summary of debt transactions of the Foundation for the year ended June 30, 2012:

	Balance <u>June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2012</u>	Current <u>Amounts</u>
Note payable - PSB 09	\$ 1,276,000	\$ 0	\$ 160,576	\$ 1,115,424	\$ 159,500
Note payable - CBT 10	99,813	0	19,937	79,876	19,937
Total	<u>\$ 1,375,813</u>	<u>\$ 0</u>	<u>\$ 180,513</u>	<u>\$ 1,195,300</u>	<u>\$ 179,437</u>

The terms of the individual debt issues of the Foundation are as follows:

	Interest <u>Rate</u>	Maturity <u>Date</u>	Amount <u>Issued</u>	Amount <u>Outstanding</u>
Note payable - PSB 09	4 5%	2019	\$ 1,595,000	\$ 1,115,424
Note payable - CBT 10	4 0%	2016	99,813	79,876
Total			<u>\$ 1,694,813</u>	<u>\$ 1,195,300</u>

NORTHWESTERN STATE UNIVERSITY FOUNDATION
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

NOTE 10 LONG-TERM DEBT (CONTINUED)

The annual requirements to amortize all debt outstanding as of June 30, 2012, including interest payments are as follows.

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 179,437	\$ 53,438	\$ 232,875
2014	179,437	45,462	224,899
2015	179,437	37,488	216,925
2016	179,566	29,513	209,079
2017	159,500	21,533	181,033
2018-2019	<u>317,923</u>	<u>21,532</u>	<u>339,455</u>
Total	<u>\$ 1,195,300</u>	<u>\$ 208,966</u>	<u>\$ 1,404,266</u>

Total interest expense incurred on long-term debt for the year ended June 30, 2012 was \$54,792 and was included in other program services expenses.

NOTE 11 TEMPORARILY RESTRICTED NET ASSETS

During the year ended June 30, 2012, temporarily restricted net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors as follows.

Equipment purchases for NSU	\$ 40,410
Marketing and promotions	154,014
Materials and supplies	523,466
Professional services	33,327
Scholarships	536,363
Transfers to NSU	316,381
Travel	231,418
Other program services expenses	405,641
Fund raising	285,452
Management and general	<u>196,575</u>
Total Restrictions Released	<u>\$ 2,723,047</u>

At June 30, 2012, the Foundation had temporarily restricted net assets of \$2,755,031.

NORTHWESTERN STATE UNIVERSITY FOUNDATION
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

NOTE 12 PERMANENTLY RESTRICTED NET ASSETS

At June 30, 2012, the Foundation had net assets permanently restricted for the following purposes:

Athletics	\$ 1,459,419
Scholarships	<u>6,589,569</u>
Total Permanently Restricted Net Assets	<u>\$ 8,048,988</u>

NOTE 13 ENDOWED NET ASSETS

At June 30, 2012, the Foundation had an Endowed net asset composition as follows:

	<u>Unrestricted Net Assets</u>	<u>Temporarily Restricted Net Assets</u>	<u>Permanently Restricted Net Assets</u>	<u>Total</u>
Balance at June 30, 2011	\$ 0	\$ 1,563,292	\$ 7,734,630	\$ 9,297,922
Contributions	0	1,413,775	428,364	1,842,139
Investment income	0	203,901	0	203,901
Unrealized gains/(losses) on investments	0	(150,366)	0	(150,366)
Other income/(expense)	0	(37,027)	(1,375)	(38,402)
Released from restriction	0	(55,405)	7,369	(48,036)
Transfers to NSU	<u>0</u>	<u>(196,381)</u>	<u>(120,000)</u>	<u>(316,381)</u>
Balance at June 30, 2012	<u>\$ 0</u>	<u>\$ 2,741,789</u>	<u>\$ 8,048,988</u>	<u>\$ 10,790,777</u>

NOTE 14 LEASE OBLIGATIONS

The Northwestern State University Foundation was not obligated under any capital or operating leases at June 30, 2012.

NOTE 15 LITIGATION

There was no outstanding litigation against the Northwestern State University Foundation at June 30, 2012.

NORTHWESTERN STATE UNIVERSITY FOUNDATION
NATCHITOCHE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

NOTE 16 DONATED SERVICES

During the year ended June 30, 2012, the Northwestern State University Foundation received a significant amount of donated services from unpaid volunteers who assist in fund raising and special projects. No amounts have been recognized in the statement of activities because the criteria for recognition under SFAS No 116 have not been satisfied.

NOTE 17 TRANSACTIONS WITH NORTHWESTERN STATE UNIVERSITY

During the year ended June 30, 2012, Northwestern State University provided certain personnel services and usage of office space and equipment to the Northwestern State University Foundation. In return, the Foundation solicited and accepted funds for the benefit of the University. The estimated value of these transactions for the year ended June 30, 2012 was \$188,472.